

### 5.3 Sample ICF/MR Cost Report

The following example of a completed ICF/MR cost report is provided for illustration purposes only and is not intended to prescribe methods for charging costs.

SAMPLE COST REPORT  
STEP-DOWN METHOD  
ICF/MR PROGRAM

Cumberland School for the Mentally Retarded

The Cumberland School is a long-term care facility. The School provides ICF/MR, SNF and Education Services to the Mentally Retarded. On August 31, 1980, the school submitted its cost report for the fiscal year ended June 30, 1980. The following data are pertinent information and explanatory notes relative to the actual cost incurred during the period.

1. Licensed Capacity for residential services - 1,000 beds.
2. ICF/MR Population - 936 Residents
3. SNF Population - 50 Residents
4. The School operates a Gift Shop to generate additional income.
5. It is estimated that 10% of the Executive Director's and the Business Manager's time is devoted to fund raising activities.
6. The School receives \$18,000 per year from CETA to offset the salary expense of two clerical employees.
7. The School also receives \$48,000 annually from the Child Nutrition Program.
8. The School has a negotiated agreement with the Department of Education for the Department of Education to absorb the cost of the noon meal for the 50 residents in the Education Program during the school year (180 days).
9. Interest costs in the amount of \$240,420 have been incurred during the period. (\$238,420 on mortgages and \$2,000 -- 90 day note).
10. The School experienced a \$3,000 Bad Debt Expense from private residents during the period.
11. The School has negotiated Indirect Cost and Fringe Benefit rates with the Federal Government.
12. Laundry and Linen was erroneously charged for the cleaning of housekeeper's uniforms (\$2,000).
13. Pharmacy was erroneously charged for oxygen used in inhalation therapy (\$5,000).

NEW JERSEY STATE DEPARTMENT OF HUMAN SERVICES

Cost Study for the State Schools for the Mentally Retarded

F/MR Provider Number 123	Name of Facility Cumberland School	Telephone No. (609) 974-4458
Address 3481 Kings Highway, Columbus, New Jersey 08621		Reporting Period 7/1/79 - 6/30/80

CERTIFICATION BY SUPERINTENDENT

I, William Stein, Superintendent of the  
(Name)

Cumberland School 3481 Kings Highway Columbus New Jersey 08621  
(Facility) (Street Address) (City) (State) (Zip Code)

certify that I have examined the accompanying schedules and the calculation of rates per day for the period ended June 30, 1980, and that to the best of my knowledge I believe they are true and correct schedules prepared from the books and records of the facility in accordance with the accompanying manual of instructions.

9/22/80  
(Date)

William Stein  
(Authorized Institutional Officer)

if these schedules were completed by other than the superintendent, the preparer must sign the following statement:

To my knowledge, this cost study was prepared consistent with the accompanying manual of instructions.

Edward G. Devlin  
(Name of Preparer)

Edward G. Devlin  
(Signature of Preparer)

3481 Kings Highway, Columbus, NJ 08621  
(Address)

(609) 292-5321  
(Telephone No.)

6/22/80  
(Date)

TN No. 89-1  
supercedes  
TN No. 81-9

Approval Date: 2/23/90

Effective Date: 10/1/89

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PROVIDER COST DISTRIBUTION											
COST CENTER	SALARIES & WAGES SOURCE:	NON-SALARY COSTS SOURCE:	TOTAL INSTITUTIONAL COST	RECLASSIFICATIONS		ADJUSTMENTS AND CREDITS			ADJUSTED COSTS		TOTAL
	<u>Trial Bal.</u> <u>(1)</u>	<u>Trial Bal.</u> <u>(2)</u>	(3)	SALARIES (4)	NOTE REF. NON- SALARIES (5)	NOTE REF. SALARIES (C)	NOTE REF. NON- SALARIES (7)	NOTE REF.	SALARIES (8)	NON-SALARIES (9)	
General Services Cost Centers											
1a Depreciation Bldg. and Fixtures						\$ 838,666	14		\$ 838,666		\$ 838,666
1b Depreciation Movable Equipment						452,769	14			452,769	452,769
2 Indirect Cost						555,024	11			555,024	555,024
3 Fringe Benefit						1,846,914	11			1,846,914	1,846,914
4 Administrative and General	\$ 337,708	\$ 58,275	\$ 395,983			\$ (18,000) 6	(3,000)	10	\$ 319,708	55,275	374,983
5 Maintenance and Repairs	222,550	45,780	268,330						222,550	45,780	268,330
6 Operation of Plant	225,640	500,760	726,400						225,640	500,760	726,400
7 Laundry & Linen	161,864	52,714	214,578		\$ (2,000) 12				161,864	50,714	212,578
8 Housekeeping	95,622	80,917	176,539		2,000 12				95,622	82,917	178,539
9 Dietary and Food	326,110	460,000	786,110				(48,000)	7	326,110	412,000	738,110
10 Pharmacy	90,423	110,990	201,413						90,423	105,990	196,413
11 Nursing Admin. and Education	80,432	15,080	95,512		(5,000) 11				80,432	15,080	95,512
12 Central Services and Supply	110,540	44,532	155,072						110,540	44,532	155,072

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ICF/MR PROVIDER NAME Cumberland School  
 ICF/MR PROVIDER NUMBER 123  
 PERIOD ENDING June 30, 1980

STEP-DOWN METHOD  
 ICF/MR PROGRAM  
 SCHEDULE A  
 PROVIDER COST DISTRIBUTION

COST CENTER	SALARIES & WAGES SOURCE: <u>Trial Bal.</u> (1)	NON-SALARY COSTS SOURCE: <u>Trial Bal.</u> (2)	TOTAL INSTITUTIONAL COST (3)	RECLASSIFICATIONS			ADJUSTMENTS AND CREDITS			ADJUSTED COSTS		TOTAL (10)
				SALARIES (4)	NOTE REF. (5)	NON-SALARIES (6)	SALARIES (7)	NOTE REF. (8)	NON-SALARIES (9)			
13 Medical Records and Library	\$ 43,101	\$ 35,956	\$ 79,057	\$	\$	\$	\$	\$	\$	\$ 43,101	\$ 35,956	\$ 79,057
14 Social Services	50,780	2,880	53,660							50,780	2,880	53,660
15												
16												
17												
Ancillary Service Cost Centers												
18 Laboratory												
19 Inhalation Therapy	50,454	5,742	56,196		5,000			13		50,454	10,742	61,196
20 Physical Therapy												
21 Occupational Therapy	20,490	1,500	21,990							20,490	1,500	21,990
22 Speech Therapy	15,464	546	16,010							15,464	546	16,010
23 EKG and EEG	30,790	5,765	36,555							30,790	5,765	36,555
24 Radiology	15,480	2,700	18,180							15,480	2,700	18,180
25												

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STEP-DOWN METHOD  
 ICF/MR PROGRAM  
 SCHEDULE A  
 PROVIDER COST DISTRIBUTION

COST CENTER	SALARIES & WAGES SOURCE: Trial Bal. (1)	NON-SALARY COSTS SOURCE: Trial Bal. (2)	TOTAL INSTITUTIONAL COST (3)	RECLASSIFICATIONS			ADJUSTMENTS AND CREDITS			ADJUSTED COSTS		TOTAL
				SALARIES (4)	NOTE REF. (5)	NON-SALARIES (6)	SALARIES (7)	NOTE REF. (8)	NON-SALARIES (9)			
26	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	(10)
Institutional Prog. Cost Centers												
27 ICF/MR	7,006,574	28,498	7,035,072									
28 Certified												
29 Facilities-Certified	900,000	10,000	910,000									
30 Other Residential Care Facilities												
31 Education Title I	543,592	162,303	705,895									
32												
33												
34												
35 Unallowable Cost Activities	14,456	10,000	24,456									
TOTAL	\$ 10,342,070	\$ 1,644,938	\$ 11,987,008	\$ -0-	\$ -0-	\$ -0-	\$ 3,632,373	\$ 10,324,070	\$ 10,000	\$ 14,456	\$ 5,277,311	\$ 24,456
EXPLANATORY NOTES:												\$ 15,601,381

Note #6,7,10,11,12,13 See sample Cost Report Problem  
 Note #14 Schedule of Depreciation A-1  
 Note #15 Capital Expenditures are not reimbursable except as Depreciation

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ICF/MR PROVIDER NAME Cumberland School  
 ICF/MR PROVIDER NUMBER 123  
 PERIOD ENDING June 30, 1980

STEP-DOWN METHOD  
 ICF/MR PROGRAM  
 SCHEDULE A-1  
 SCHEDULE OF DEPRECIATION

ASSET DESCRIPTION	DATE OF ACQUISITION (1)	COST BASIS (2)	DEPRECIATION ALLOWED IN PRIOR YEARS (3)	DEPRECIATION METHOD (4)	USEFUL LIFE (5)	DEPRECIATION THIS PERIOD (6)	INTEREST ON CAPITAL DEBT (7)	TOTAL DEPRECIATION AND INTEREST (8)
Buildings & Fixtures Cottages	1978	\$ 18,109,640	\$ 1,358,223	Straight Line	40 yrs.	\$ 452,741	\$ 178,815	\$ 631,556
Administration Building	1979	5,900,200	295,010	Straight Line	40 yrs.	147,505	59,605	207,110
Total Buildings & Fixtures (Schedule A Line 1a)		24,009,840	1,653,233			600,246	238,420	838,666
Moveable Equipment Various	1978	6,237,935	1,247,586	Straight Line	15 yrs.	415,862		415,862
Various	1979	553,600	73,814	Straight Line	15 yrs.	36,907		36,907
Total Moveable Equipment (Schedule A Line 1b)		\$ 6,791,535	\$ 1,321,400			\$ 452,769	\$	\$ 452,769

EXPLANATORY NOTES:

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/MR PROVIDER NAME Cumberland School  
 /MR PROVIDER NUMBER 123  
 /MOD ENDING June 30, 1980

STEP-DOWN METHOD  
 ICF/MR PROGRAM  
 - SCHEDULE A-2  
 DETAILS OF ADMINISTRATIVE & GENERAL

COST CENTERS	SALARIES & WAGES (1)	NON-SALARY COSTS (2)	TOTAL (3)
Superintendent	\$ 31,106	\$	\$ 31,106
Assistant Superintendent	24,428		24,428
Personnel Department	95,132	3,148	98,280
Business Office	164,672	6,027	170,699
Telephone	9,500	21,500	31,000
		2,800	2,800
Legal and Professional Fees			
Insurance		22,800	22,800
Fire & Security	12,870		12,870
Interest		2,000	2,000
Admin. & General Schedule A, Line 4	\$ 337,708	\$ 58,275	\$ 395,983



MR PROVIDER NAME Cumberland School  
 MR PROVIDER NUMBER 123  
 OD ENDING June 30, 1980

STEP-DOWN METHOD

ICF/MR PROGRAM

SCHEDULE A-3

DETAILS OF INTERMEDIATE CARE FACILITIES FOR THE  
 MENTALLY RETARDED

COST CENTERS	Salaries & Wages (1)	Non-Salary Costs (2)	Total (3)
Head Cottage Trng. Supv.	\$ 234,616	\$	\$ 234,616
Cottage Trng. Supv.	980,751		980,751
Cottage Trng. Technicians	1,614,289		1,614,289
Human Services Assistants	1,899,922		1,899,922
Physicians	945,828		945,828
	920,246		920,426
Other Medical Expenses			
Recreation	410,922	28,498	439,420
Total ICF/MR Certified Schedule A, Line 27	\$ 7,006,574	\$ 28,498	\$ 7,035,072

STEP-DOWN METHOD  
ICF/MR PROGRAM  
SCHEDULE A-4  
UNALLOWABLE ACTIVITIES

UNALLOWABLE COST ACTIVITIES	SALARIES & WAGES (1)	NON-SALARY COSTS (2)	TOTAL (3)
nd Raising	\$ 5,456	\$	\$ 5,456
esearch & Development			
vestment Activities			
ublic Relations			
ing			
ft Shop	9,000	10,000	19,000
TOTAL line 35, Schedule A)	\$ 14,456	\$ 10,000	\$ 24,456

PLANATORY NOTES (If Necessary):